

ORDINANCE NO. 10-07

ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA AUTHORIZING THE MAYOR AND THE CITY CLERK, AS ATTESTING WITNESS, ON BEHALF OF THE CITY, TO EXTEND THE MATURITY, PROVIDE FOR A LOWER INTEREST RATE AND PROVIDE FOR AMORTIZATION OF THE CITY'S BOND ANTICIPATION REFUNDING NOTE, SERIES 2008, WHICH WAS ISSUED TO REFINANCE THE CONSTRUCTION OF 300 AFFORDABLE HOUSING UNITS LOCATED AT 1340 W. 26TH PLACE, 1350 W. 26TH PLACE, 1360 W. 26TH PLACE AND 1370 W. 26TH PLACE, HIALEAH, FLORIDA, IN A FORM ACCEPTABLE TO THE CITY ATTORNEY; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO NOTE AND AMENDMENT TO LOAN AGREEMENT; AUTHORIZING THE EXPENDITURE FOR BANK'S LOAN FEE OF \$3,000 AND FOR BANK ATTORNEY'S FEES NOT TO EXCEED \$7,500; AND FURTHER AUTHORIZING THE EXECUTION OF ANY AND ALL DOCUMENTS IN FURTHERANCE THEREWITH; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERewith; PROVIDING PENALTIES FOR VIOLATION HEREOF; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to Hialeah, Fla., Ordinance 05-110 (December 13, 2005), the City of Hialeah, Florida (the "City") issued its \$15,000,000 City of Hialeah, Florida Bond Anticipation Note, Series 2005 (the "2005 Note") and entered into a Loan Agreement (the "Line of Credit Agreement") with SunTrust Bank (the "Bank") in order to provide a construction line of credit to finance the cost of the construction of the 300-unit affordable housing project located at 1340 W. 26th Place, 1350 W. 26th Place, 1360 W. 26th Place and 1370 W. 26th Place, to be owned and operated by the City (the "Project"); and

WHEREAS, pursuant to Hialeah, Fla., Ordinance 08-83 (September 24, 2008), the City issued its \$18,000,000 Bond Anticipation Refunding Note, Series 2008 (the

“2008 Note”) and entered into an Amendment to Loan Agreement and Amendment to Note, all in order to extend the term of the 2005 Note and the Line of Credit Agreement to January 31, 2010 and to increase the amount of both to \$18,000,000 to provide an additional \$3,000,000 to complete the Project; and

WHEREAS, the 2008 Note matures, and the Line of Credit Agreement terminates, on January 31, 2010; and

WHEREAS, the Bank has agreed to extend the term of the 2008 Note and the Line of Credit Agreement to August 1, 2011 (the “Extended Maturity Date”) and to lower the interest rate on the 2008 Note to 3.42% per annum, provided that the 2008 Note amortizes over the extended term as set forth in Exhibit “A” hereto; and

WHEREAS, it is determined to be in the best interest of the City to extend the term of the 2008 Note and the Line of Credit Agreement to the Extended Maturity Date and to provide for amortization of the 2008 Note ;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, THAT:

Section 1: The facts and recitations contained in the preamble to this ordinance are hereby adopted and incorporated by reference as if fully set forth herein.

Section 2: The City hereby authorizes the Mayor and the City Clerk, as attesting witness, on behalf of the City, to enter into an extension of the Line of Credit Agreement with the Bank (the “2010 Amendment to Loan Agreement”) and an extension of the 2008 Note (the “2010 Amendment to Note”), both of which shall reflect a revised interest rate of 3.42% per annum and an amortization over the extended term as set forth in Exhibit “A” hereto, in substantially the forms attached hereto as Exhibits “B” and “C”, respectively, with such changes, modifications, deletions and insertions as the Mayor, with the advice of the City Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the City. The Mayor, the City Manager, the City Clerk, the City Attorney and the Office of

Management and Budget Director are each hereby authorized to execute such documents as are necessary to accomplish such extension and amortization.

Section 3: The City authorizes the payment of a loan fee to the Bank of \$3,000 and bank attorney's fees of \$7,500.

Section 4: **Repeal of Ordinances in Conflict.**

All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

Section 5: **Penalties.**

Every person violating any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be assessed by a civil penalty not to exceed \$500.00 within the discretion of the court or administrative tribunal having jurisdiction. Each act of violation and each day upon which any such violation shall occur shall constitute a separate offense. In addition to the penalty described above, the City may pursue other remedies such as abatement of nuisance, injunctive relief, administrative adjudication and revocation of licenses or permits.

Section 6: **Severability Clause.**

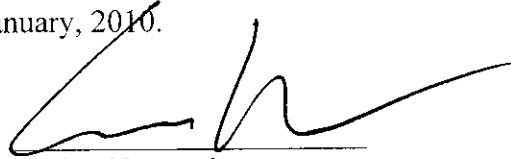
If any phrase, clause, sentence, paragraph or section of this ordinance shall be declared invalid or unconstitutional by the judgment or decree of a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this ordinance.

Section 7: Effective Date.

This ordinance shall become effective when passed by the City Council and signed by the Mayor or at the next regularly scheduled City Council meeting, if the Mayor's signature is withheld or if the City Council overrides the Mayor's veto.

PASSED and ADOPTED this 26th day of January, 2010.

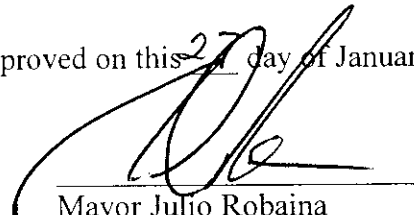
THE FOREGOING ORDINANCE
OF THE CITY OF HIALEAH WAS
PUBLISHED IN ACCORDANCE
WITH THE PROVISIONS OF
FLORIDA STATUTE 166.041
PRIOR TO FINAL READING.


Carlos Hernandez
Council President

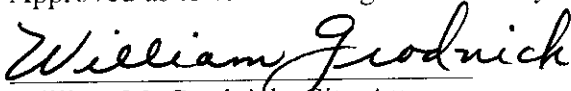
Attest:


Rafael E. Granado, City Clerk

Approved on this 27 day of January, 2010.


Mayor Julio Robaina

Approved as to form and legal sufficiency:



William M. Grodnick, City Attorney

Ordinance was adopted by a unanimous vote with Councilmembers, Caragol, Casals-Muñoz, Cue, Garcia-Martinez, Gonzalez, Hernandez, and Yedra voting "Yes".

EXHIBIT "A"

AMORTIZATION SCHEDULE

**STATE OF FLORIDA
CITY OF HIALEAH, FLORIDA
EXTENSION OF SERIES 2008 NOTE**

OUTSTANDING AMOUNT: \$14,881,500.00 – MATURITY DATE: 8/1/2011

TAX EXEMPT NON-BANK QUALIFIED FIXED INTEREST RATE: 3.42%

ESTIMATED 25 YEARS AMORTIZATION SCHEDULE

Payment #	Due Date	Principal	Interest	Payment	Balance
1	1-May-10	148,815.00	127,236.83	276,051.83	14,732,685.00
2	1-Aug-10	148,815.00	125,964.46	274,779.46	14,583,870.00
3	1-Nov-10	148,815.00	124,692.09	273,507.09	14,435,055.00
4	1-Feb-11	148,815.00	123,419.72	272,234.72	14,286,240.00
5	1-May-11	148,815.00	122,147.35	270,962.35	14,137,425.00
6	1-Aug-11	14,137,425.00	120,874.98	14,258,299.98	0.00

EXHIBIT "B"

FORM OF AMENDMENT TO LOAN AGREEMENT

AMENDMENT TO LOAN AGREEMENT

This Amendment to Loan Agreement is entered into this 28th day of January, 2010, by and between the City of Hialeah, Florida, a municipal corporation of the State of Florida, and its successors and assigns (the "City"), and SunTrust Bank, a Georgia banking corporation ("SunTrust"), and its respective successors and assigns.

WHEREAS, pursuant to Hialeah, Fla., Ordinance 05-110 (December 13, 2005) (the "2005 Ordinance"), the City issued its \$15,000,000 City of Hialeah, Florida Bond Anticipation Note, Series 2005 (the "2005 Note") and entered into a Loan Agreement dated December 16, 2005 (the "Loan Agreement") with SunTrust, a copy of which is attached hereto as Exhibit "A", in order to provide a construction line of credit to finance the cost of the construction of the 300-unit affordable housing project located at 1340 W. 26th Place, 1350 W. 26th Place, 1360 W. 26th Place and 1370 W. 26th Place, to be owned and operated by the City (the "Project"); and

WHEREAS, pursuant to Hialeah, Fla., Ordinance 08-83 (September 24, 2008) (the "2008 Ordinance"), the City issued its \$18,000,000 Bond Anticipation Refunding Note, Series 2008 (the "2008 Note") and entered into an Amendment to Loan Agreement and Amendment to Note (the "2008 Amendments"), all in order to extend the term of the 2005 Note and the Loan Agreement to January 31, 2010 and to increase the amount of both to \$18,000,000 to provide an additional \$3,000,000 to complete the Project; and

WHEREAS, the 2008 Note matures, and the Loan Agreement terminates, on January 31, 2010; and

WHEREAS, the Bank has agreed to extend the term of the 2008 Note and the Loan Agreement to August 1, 2011 (the "Extended Maturity Date") and to lower the interest rate on the 2008 Note to 3.42% per annum, provided that the 2008 Note amortizes over the extended term as set forth in Exhibit "B" hereto; and

WHEREAS, the parties hereto desire to amend the Loan Agreement by extending the term of the 2008 Note and the Loan Agreement to the Extended Maturity Date, lowering the interest rate on the 2008 Note to 3.42% per annum, and providing for the amortization of the 2008 Note over the extended term, all as set forth in Exhibit "B" hereto; and

WHEREAS, the City Council, pursuant to Ordinance _____, which became effective on January 27, 2010 (the "2010 Ordinance"), approved such terms;

NOW, THEREFORE, in consideration for the mutual covenants herein expressed, the parties hereto do hereunto agree as follows:

Section 1. The amendments made hereby are in addition to those made by the 2008 Amendments, except that to the extent the 2008 Amendments conflict with the amendments made herein, the amendments made herein shall supersede the 2008 Amendments.

Section 2. The definition of "Ordinance" in the Loan Agreement is hereby amended to refer collectively to the 2005 Ordinance, the 2008 Ordinance and the 2010 Ordinance.

Section 3. Exhibit "A" to the Loan Agreement is hereby amended in accordance with the form of Amendment to Note attached hereto as Exhibit "B".

Entered into this 28th day of January, 2010.

[SEAL]

CITY OF HIALEAH, FLORIDA

By: _____
Julio Robaina, Mayor

ATTEST:

By: _____
Rafael E. Granado, City Clerk

Approved as to form and legal sufficiency:

William M. Grodnick, City Attorney

SUNTRUST BANK

By: _____
Delle Joseph
Vice President

Exhibit “A”

Original Loan Agreement

[to be attached at closing]

Exhibit “B”

Amendment to Note

[to be attached at closing]

EXHIBIT "C"

FORM OF AMENDMENT TO NOTE

Amended and Restated as of
January 28, 2010
\$14,881,500
CITY OF HIALEAH, FLORIDA
BOND ANTICIPATION REFUNDING NOTE, SERIES 2010

THIS NOTE AMENDS AND RESTATES THE \$18,000,000 CITY OF HIALEAH, FLORIDA BOND ANTICIPATION REFUNDING NOTE, SERIES 2008, ORIGINALLY ISSUED ON DECEMBER 16, 2005 AND AMENDED ON OCTOBER 30, 2008 (THE "ORIGINAL NOTE"). AS OF JANUARY 28, 2010, THIS NOTE REPLACES THE ORIGINAL NOTE, AND THE TERMS SET FORTH HEREIN WILL GOVERN FROM AND AFTER JANUARY 28, 2010.

KNOW ALL MEN BY THESE PRESENTS that the City of Hialeah, Florida (the "City"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of SunTrust Bank, or registered assigns (hereinafter, the "Bank" or the "Holder"), the principal sum of \$14,881,500, together with interest on the principal balance outstanding at the rate of 3.42% per annum (subject to adjustment as hereinafter provided), based upon a year of 360 days for the actual number of days elapsed.

Principal of and interest on this Note are payable in lawful money of the United States of America at such place as the Bank may designate to the City.

For purposes of this Note, the following definitions shall apply:

- (1) "Code" means the Internal Revenue Code of 1986, as amended;
- (2) "Cost of Funds" means 100 multiplied by a fraction, the numerator of which is equal to the total interest expense of SunTrust Bank for its immediately preceding tax year and the denominator of which is equal to the average total assets of SunTrust Bank for such tax year, but not to exceed the cost of Fed Funds.
- (3) "Fully Taxable Equivalent" means the rate of interest on the Note multiplied by 1.2121, expressed as a number and not as a percentage.
- (4) "Maximum Corporate Tax Rate" means the maximum Federal income tax rate applicable to corporations, presently 35%.
- (5) "Preference Reduction Rate" means the percentage reduction to be applied to the amount allowable as a deduction under Chapter I of the Code with respect to any financial institution preference item (as such term is defined in Section 291(e) of the Code), presently 20%. If this Note is not or ceases to be a "qualified tax-exempt obligation" as defined in Section 265(b) of the Code, the Preference Reduction Rate shall be deemed to increase from twenty percent (20%) to one hundred percent (100%).

(6) "TEFRA Adjustment" means an adjustment equal to the product of the Cost of Funds multiplied by the applicable Maximum Corporate Tax Rate multiplied by the applicable Preference Reduction Rate.

If for any reason the interest on this Note becomes includable in the gross income of the holder of this Note for Federal income tax purposes (an "Event of Taxability"), this Note shall bear interest from the earliest effective date of such Event of Taxability at a rate per annum equal to the interest rate otherwise borne by this Note multiplied by 1.2121. In addition to the foregoing, the City shall pay any additions to tax, penalties and interest, and any arrears in interest imposed upon the holder of this Note on account of an Event of Taxability. All such additional interest, additions to tax and penalties shall be paid on the next succeeding Payment Date following the date the holder was advised of such Event of Taxability.

No Event of Taxability shall be deemed to occur unless the City has been given timely written notice of such occurrence by the Holder of this Note and, to the extent permitted by law, an opportunity to participate in and seek, at the City's own expense, a final administrative determination by the Internal Revenue Service or determination by a court of competent jurisdiction (from which no further right of appeal exists) as to the occurrence of such Event of Taxability; provided that the City, at its own expense, delivers to the holder of this Note an opinion of bond counsel acceptable to such holder to the effect that such appeal or action for judicial or administrative review is not without merit and there is a reasonable possibility that the judgment, order, ruling or decision from which such appeal or action for judicial or administrative review is taken will be reversed, vacated or otherwise set aside.

The interest rate borne by this Note shall also be adjusted automatically as of the effective date of any change in the Maximum Corporate Tax Rate or in the Preference Reduction Rate, to the product obtained by multiplying the rate of interest on the Note by a fraction, the numerator of which is equal to the sum of (i) the product of the Fully Taxable Equivalent times 1 (one) minus the Maximum Corporate Tax Rate in effect as of the date of adjustment, plus (ii) the TEFRA Adjustment in effect as of the date of adjustment, and the denominator of which is equal to the sum of (i) the product of the Fully Taxable Equivalent times 0.65, plus (ii) the TEFRA Adjustment in effect on the date of closing of the Note.

A certificate of the Holder as to any such additional amount or amounts, in the absence of manifest error, shall be final and conclusive. In determining such amount, the Holder may use any reasonable averaging and attribution methods.

Interest on this Note shall be due and payable on February 1, May 1, August 1 and November 1 of each year (each, a "Note Payment Date"), commencing May 1, 2010 until August 1, 2011 (the "Maturity Date"). The principal of this Note shall be due and payable on each Note Payment Date in the amounts set forth in the amortization schedule attached hereto as Exhibit "A", with the entire unpaid principal balance, together with all accrued and unpaid interest hereon, being due and payable in full on the Maturity Date. All payments by the City pursuant to this Note shall apply first to accrued interest, then to other charges due the Bank, and the balance thereof shall apply to the principal sum due.

The City may prepay this Note in whole or in part at any time at a price of par plus accrued and unpaid interest to the date of prepayment. All prepayments may be made only upon written notice to the Holder given by the City at least five (5) days prior to the date fixed for prepayment.

Partial prepayments shall be applied to Note Payment Dates in the inverse order of their maturity and shall not lower the amounts, or postpone the due dates, of any installments of principal and interest due hereunder.

Interest at the lesser of 12% per annum or the maximum lawful rate per annum shall be payable on the entire principal balance owing hereunder from and after the occurrence of and during the continuation of an Event of Default under the Loan Agreement, irrespective of a declaration of maturity.

The City to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is issued pursuant to Ordinance No. 05-110 (December 13, 2005), as amended by Ordinance No. 08-83 (September 24, 2008) and by Ordinance No. _____ which became effective on January 27, 2010, as from time to time amended and supplemented (herein referred to as the "Ordinance"), and a Loan Agreement, dated as of December 16, 2005, between the City and the Bank, as amended by an Amendment to Loan Agreement dated as of October 30, 2008 and an Amendment to Loan Agreement dated as of January 28, 2010 (collectively the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement. All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

The City covenanted and agreed that all Net Rental Income will first be used to pay all amounts due under the Note and the Loan Agreement. The City pledged, assigned and granted to the Bank a first priority security interest in the Net Rental Income to secure payment of all sums due pursuant to the Note and the Loan Agreement. The City represented and warranted to the Bank that there are no other obligations of the City currently outstanding that are secured by the Net Rental Income and that the City will not secure any future obligations with a pledge of Net Rental Income.

The City has also covenanted and agreed that the City will allocate sufficient HOME Program funds to pay all amounts due under the Note and the Loan Agreement.

The City has also covenanted and agreed in the Loan Agreement to appropriate in its annual budget, by amendment if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to pay the principal and interest due on the Note in accordance with its terms during such Fiscal Year. "Non-Ad Valorem Revenues" means all revenues of the City derived from any source other than ad valorem taxation on real or personal property which are legally available to make the payments required under the Loan Agreement; but only after provision has been made by the City for the payment of all essential or legally mandated services. Such covenant and agreement on the part of the City to budget and

appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Note Holder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated in the Loan Agreement shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Loan Agreement, subject, however, in all respects to the terms of the Loan Agreement and the restrictions of Section 166.241(3), Florida Statutes, which provides, in part, that the governing body of each municipality make appropriations for each Fiscal Year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by applicable law.

Reference is hereby made to the Loan Agreement for the provisions, among others, relating to the terms, lien and security of the Note, the custody and application of the proceeds of the Note, the rights and remedies of the Holder of the Note, and the extent of and limitations on the City's rights, duties and obligations, to all of which provisions the Holder hereof for himself and his successors in interest assents by acceptance of this Note.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE HOLDER OF THIS NOTE THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS NOTE OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE LOAN AGREEMENT.

It is further agreed between the City and the Holder of this Note that neither the members of the Governing Body of the City nor any person executing the Note shall be liable personally on the Note by reason of its issuance.

This Note may be exchanged or transferred by the Holder hereof but only upon the registration books maintained by the City and in the manner provided in the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Hialeah, Florida has caused this Note to be executed in its name by the manual signature of its Mayor, and attested by the manual signature of its Clerk and its corporate seal or a facsimile thereof affixed hereto, all as of this 28th day of January, 2010.

CITY OF HIALEAH, FLORIDA

By: _____
Mayor Julio Robaina

[SEAL]

ATTEST:

By: _____
Rafael E. Granado, City Clerk

Approved as to form and legal sufficiency:

William M. Grodnick, City Attorney

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Note in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice:

Payment:

Date: _____

Assignee: _____

By: _____

Title: _____

EXHIBIT "A"

AMORTIZATION SCHEDULE

Payment #	Due Date	Principal	Interest	Payment	Balance
1	1-May-10	148,815.00	127,236.83	276,051.83	14,732,685.00
2	1-Aug-10	148,815.00	125,964.46	274,779.46	14,583,870.00
3	1-Nov-10	148,815.00	124,692.09	273,507.09	14,435,055.00
4	1-Feb-11	148,815.00	123,419.72	272,234.72	14,286,240.00
5	1-May-11	148,815.00	122,147.35	270,962.35	14,137,425.00
6	1-Aug-11	14,137,425.00	120,874.98	14,258,299.98	0.00

AMENDMENT TO LOAN AGREEMENT

This Amendment to Loan Agreement is entered into this 28th day of January, 2010, by and between the City of Hialeah, Florida, a municipal corporation of the State of Florida, and its successors and assigns (the "City"), and SunTrust Bank, a Georgia banking corporation ("SunTrust"), and its respective successors and assigns.

WHEREAS, pursuant to Hialeah, Fla., Ordinance 05-110 (December 13, 2005) (the "2005 Ordinance"), the City issued its \$15,000,000 City of Hialeah, Florida Bond Anticipation Note, Series 2005 (the "2005 Note") and entered into a Loan Agreement dated December 16, 2005 (the "Loan Agreement") with SunTrust, a copy of which is attached hereto as Exhibit "A", in order to provide a construction line of credit to finance the cost of the construction of the 300-unit affordable housing project located at 1340 W. 26th Place, 1350 W. 26th Place, 1360 W. 26th Place and 1370 W. 26th Place, to be owned and operated by the City (the "Project"); and

WHEREAS, pursuant to Hialeah, Fla., Ordinance 08-83 (September 24, 2008) (the "2008 Ordinance"), the City issued its \$18,000,000 Bond Anticipation Refunding Note, Series 2008 (the "2008 Note") and entered into an Amendment to Loan Agreement and Amendment to Note (the "2008 Amendments"), all in order to extend the term of the 2005 Note and the Loan Agreement to January 31, 2010 and to increase the amount of both to \$18,000,000 to provide an additional \$3,000,000 to complete the Project; and

WHEREAS, the 2008 Note matures, and the Loan Agreement terminates, on January 31, 2010; and

WHEREAS, the Bank has agreed to extend the term of the 2008 Note and the Loan Agreement to August 1, 2011 (the "Extended Maturity Date") and to lower the interest rate on the 2008 Note to 3.42% per annum, provided that the 2008 Note amortizes over the extended term as set forth in Exhibit "B" hereto; and

WHEREAS, the parties hereto desire to amend the Loan Agreement by extending the term of the 2008 Note and the Loan Agreement to the Extended Maturity Date, lowering the interest rate on the 2008 Note to 3.42% per annum, and providing for the amortization of the 2008 Note over the extended term, all as set forth in Exhibit "B" hereto; and

WHEREAS, the City Council, pursuant to Ordinance 10-07, which became effective on January 27, 2010 (the "2010 Ordinance"), approved such terms;

NOW, THEREFORE, in consideration for the mutual covenants herein expressed, the parties hereto do hereunto agree as follows:

Section 1. The amendments made hereby are in addition to those made by the 2008 Amendments, except that to the extent the 2008 Amendments conflict with the amendments made herein, the amendments made herein shall supersede the 2008 Amendments.

Section 2. The definition of "Ordinance" in the Loan Agreement is hereby amended to refer collectively to the 2005 Ordinance, the 2008 Ordinance and the 2010 Ordinance.

Section 3. Exhibit "A" to the Loan Agreement is hereby amended in accordance with the form of Amendment to Note attached hereto as Exhibit "B".

Entered into this 28th day of January, 2010.

[SEAL]

CITY OF HIALEAH, FLORIDA

By: _____

Julio Robaina, Mayor

ATTEST:

By: _____

Rafael E. Granado, City Clerk

Approved as to form and legal sufficiency:

William Grodnick
William M. Grodnick, City Attorney

SUNTRUST BANK

By: _____

Delle Joseph
Vice President

Exhibit “A”

Original Loan Agreement

[to be attached at closing]

AMENDMENT TO LOAN AGREEMENT

This Amendment to Loan Agreement is entered into this 30th day of October, 2008, by and between the City of Hialeah, Florida, a municipal corporation of the State of Florida, and its successors and assigns (the "City"), and SunTrust Bank, a Georgia banking corporation ("SunTrust"), and its respective successors and assigns.

WHEREAS, pursuant to Hialeah, Fla., Ordinance 05-110, which became effective on December 14, 2005 (the "2005 Ordinance"), the City issued its \$15,000,000 City of Hialeah, Florida Bond Anticipation Note, Series 2005 (the "2005 Note") and entered into a Loan Agreement dated December 16, 2005 (the "Loan Agreement") with SunTrust, a copy of which is attached hereto as Exhibit "A", in order to provide a construction line of credit to finance the cost of the construction of the 300-unit affordable housing project located at 2659 West Okeechobee Road to be owned and operated by the City (the "Project"); and

WHEREAS, the 2005 Note matures on December 1, 2008, and the City needs an additional \$3,000,000 to complete the Project; and

WHEREAS, the Bank has agreed to extend the term of the 2005 Note and the Loan Agreement to January 31, 2010 (the "Extended Maturity Date"), and to increase the amount of both to \$18,000,000; and

WHEREAS, the parties hereto desire to amend the Loan Agreement by increasing the amount of the line of credit thereunder from \$15,000,000 to \$18,000,000 and extending the term of the 2005 Note and the Loan Agreement to the Extended Maturity Date; and

WHEREAS, the City Council, pursuant to Ordinance 08-83, which became effective on September 24, 2008 (the "2008 Ordinance"), approved such increase and term extension;

NOW, THEREFORE, in consideration for the mutual covenants herein expressed, the parties hereto do hereunto agree as follows:

Section 1. All references in the Loan Agreement to \$15,000,000 are hereby amended to \$18,000,000 wherever they appear in the Loan Agreement.

Section 2. The definition of "Ordinance" in the Loan Agreement is hereby amended to refer collectively to the 2005 Ordinance and the 2008 Ordinance.

Section 3. The definition of "Note" in the Loan Agreement is hereby amended to read as follows:

"Note" means the City's Bond Anticipation Note, Series 2005, originally authorized to be issued hereunder in an aggregate principal amount of \$15,000,000, as amended on September 29, 2008 to an aggregate principal amount of \$18,000,000.

Section 4. The additional proceeds of the line of credit provided under the Loan Agreement and of the Note, in the amount of \$3,000,000, will be advanced by the Bank to the City on the date hereof.

Section 5. Exhibit "A" to the Loan Agreement is hereby amended in accordance with the form of Amendment to Note attached hereto as Exhibit "B".

Entered into this ^{30th} ~~26th~~ day of ^{OCTOBER} ~~September~~, 2008.

[SEAL]

CITY OF HIALEAH, FLORIDA

By: 

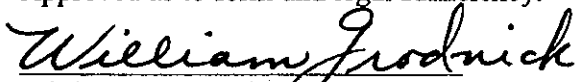
Julio Robaina, Mayor

ATTEST:

By: 

Rafael E. Granado, City Clerk

Approved as to form and legal sufficiency:


William M. Grodnick, City Attorney

SUNTRUST BANK

By: 

Delle Joseph
Vice President

Exhibit “A”

Original Loan Agreement

LOAN AGREEMENT

This LOAN AGREEMENT (this "Agreement") is made and entered into as of December 16, 2005, and is by and between the City of Hialeah, Florida, a Florida municipal corporation, and its successors and assigns (the "City"), and SunTrust Bank, a Georgia banking corporation, and its successors and assigns as holder of the hereinafter defined Note (the "Bank");

WHEREAS, the City Council of the City did, on December 13, 2005, enact Ordinance 05-110 (the "Ordinance"), which became effective December 14, 2005, authorizing a loan (the "Loan") from the Bank, in the principal amount not to exceed \$15,000,000.00 plus loan fees in the amount of \$20,000.00 for the purpose facilitating the construction of 300 affordable housing units to be located at 2659 West Okeechobee Road in the City (the "Project"); and

WHEREAS, the City hereby determines that it is desirable and in the best interest of the City to enter into this Agreement whereby the City will borrow the Loan from the Bank to be used for the Project; and

WHEREAS, the obligation of the City to repay the Loan shall be evidenced by the delivery of that certain City of Hialeah, Florida, Bond Anticipation Note, Series 2005 (the "Note") to the Bank in the principal amount of the Loan; and

WHEREAS, the Note shall be issued pursuant to the terms and provisions of the Ordinance and this Agreement; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the Ordinance.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

ARTICLE I

DEFINITION OF TERMS

Section 1.1 Definitions. The words and terms used in this Agreement shall have the meanings as set forth in the Ordinance and in the recitals above, unless otherwise defined herein. Unless the context shall otherwise require, the following words and terms as used in this Agreement shall have the following meanings:

"Act" means Part II of Chapter 166, Florida Statutes, as amended, the Charter of the City, and other applicable provisions of law.

"Advance" means a disbursement of the Loan pursuant to this Agreement.

"Agreement" means this Loan Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

“Annual Debt Service Requirement” means for a given Fiscal Year the amount required to pay the principal and interest coming due on the Note during that Fiscal Year.

“Authorized Investments” means:

- (a) direct noncallable obligations (including obligations issued or held in book-entry form on the books) of the Department of Treasury of the United States of America;
- (b) obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including: Export-Import Bank, Farm Credit System Financial Assistance Corporation, Rural Economic Community Development Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association (GNMA), U.S. Department of Housing and Urban Development (PHAs), Federal Housing Administration and Federal Financing Bank;
- (c) senior debt obligations – (I) issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, rated “AAA” by S&P and “Aaa” by Moody’s, or (II) issued by either Government Sponsored Agencies and approved by Ambac Assurance;
- (d) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P and “P-1” by Moody’s and maturing no more than three hundred sixty (360) days after the date of purchase (ratings on bank holding companies are not considered as the rating of the bank);
- (e) commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by S&P and “P-1” by Moody’s and which matures not more than two hundred seventy days after the date of purchase;
- (f) investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P;
- (g) pre-funded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

- i. which are rated, based on an irrevocable escrow account or fund (the "escrow") in the highest rating category of S&P and Moody's or any successor thereto; or
- ii. (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Government Securities, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

"Bond Counsel" means counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

"Business Day" means any day which is not a Saturday, Sunday or legal holiday in Miami, Florida.

"Clerk" means the Acting City Clerk or any Deputy Clerk of the City.

"Code" means the Internal Revenue Code of 1986, as amended, including the applicable regulations of the Department of the Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

"Dated Date" means the date of issuance of the Note.

"Eligible Costs" means costs incurred in connection with the Project that may be paid from funds received by the City pursuant to the HOME Program pursuant to the rules and regulations enacted in connection with the HOME Program.

"Event of Default" shall mean an event of default specified in Article VIII of this Agreement.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the City pursuant to general law.

“Governing Body” means the City Council of the City, or its successor in function.

“Holder” means the registered owner (or its authorized representatives) of the Note from time to time, initially the Bank.

“HOME Program” means the HOME Investment Partnerships Program governed by 42 U.S.C. Section 12701 et seq., Section 420.5089, Fla. Stat., and 24 C.F.R. Part 92.

“Initial Advance” means the first Advance of the Loan made on the Dated Date in an amount that is not less than \$50,000.00.

“Loan” means the outstanding principal amount of the Note.

“Loan Documents” means this Agreement, the Note, the Ordinance and all other documents, agreements, certificates, schedules, notes, statements, and opinions, however described, referenced herein or executed or delivered pursuant hereto or in connection with or arising with the Loan or the transaction contemplated by this Agreement.

“Mayor” means the Mayor of the City and such other person as may be authorized to act on his or her behalf.

“Net Rental Income” means the difference between (i) any and all revenues (rental or otherwise) derived in any manner from the management and operation of the Project and (ii) the reasonable and customary expenses incurred by the City in managing and operating the Project, all as approved by the Bank in its reasonable discretion.

“Non-Ad Valorem Revenues” means all revenues of the City derived from any source other than ad valorem taxation on real or personal property and which are legally available to make the payments required under this Agreement; but only after provision has been made by the City for the payment of all essential or legally mandated services.

“Note” means the City's Bond Anticipation Note, Series 2005, authorized to be issued hereunder in an aggregate principal amount \$15,000,000.00.

“Note Payment Date” means each December 1, March 1, June 1 and September 1, commencing March 1, 2006.

“Person” means natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

“State” means the State of Florida.

Section 1.2 Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and

provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

Section 1.3 Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS OF CITY

The City represents and warrants to the Bank that:

Section 2.1 Powers of City. The City is duly organized and validly existing as a municipal corporation under the laws of the State. The City has the power to borrow the amount provided for in this Agreement, to execute and deliver the Loan Documents, to secure the Note in the manner contemplated hereby, and to perform and observe all the terms and conditions of the Note and this Agreement on its part to be performed and observed. The City may lawfully issue the Note in order to obtain funds to finance the Project.

Section 2.2 Authorization of Loan. The City has, had or will have, as the case may be, full legal right, power, and authority to adopt the Ordinance and to execute and deliver this Agreement, to issue, sell, and deliver the Note to the Bank, and to carry out and consummate all other transactions contemplated hereby and by the Loan Documents, and the City has complied and will comply with all provisions of applicable law in all material matters relating to such transactions. The City, by the Ordinance, has duly authorized the borrowing of the amount provided for in this Agreement in accordance with the terms of this Agreement, the execution and delivery of this Agreement, and the making and delivery of the Note to the Bank, and to that end the City warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Note. The City has duly adopted the Ordinance and authorized the execution, delivery, and performance of the Note and this Agreement and the taking of any and all other such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by the Loan Documents. The Note has been duly authorized, executed, issued and delivered to the Bank and constitutes a legal, valid and binding obligation of the City enforceable in accordance with its terms and the terms of the Ordinance, and is entitled to the benefits and security of the Ordinance and this Agreement. All approvals, consents, and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Note or the execution and delivery of or the performance by the City of its obligations under the Loan Documents have been obtained or made and any consents, approvals, and orders to be received or filings so made are in full force and effect.

Section 2.3 Agreements. The making and performing by the City of this Agreement will not violate any provision of the Act, or any ordinance or resolution of the City, or any regulation, order or decree of any court, and will not result in a breach of any of the terms of any agreement or instrument to which the City is a party or by which the City is bound. The Loan Documents constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms.

Section 2.4 Litigation, Etc. There are no actions or proceedings pending against the City or affecting the City or, to the knowledge of the City, threatened, which, either in any case or in the aggregate, might result in any material adverse change in the financial condition of the City, or which question the validity of this Agreement, the Note or any of the other Loan Documents or of any action taken or to be taken in connection with the transactions contemplated hereby or thereby. The City is not in default in any material respect under any agreement or other instrument to which it is a party or by which it may be bound.

Section 2.5 Financial Information. The financial information regarding the City furnished to the Bank by the City in connection with the Loan is complete and accurate, and there has been no material and adverse change in the financial condition of the City from that presented in such information.

ARTICLE III

COVENANTS OF THE CITY

Section 3.1 Affirmative Covenants. The City covenants, for so long as any of the principal amount of or interest on the Note is outstanding and unpaid or any duty or obligation of the City hereunder or under any of the other Loan Documents remains unpaid or unperformed, as follows:

(a) **Use of Proceeds.** The City covenants that the proceeds from the Note will be used only to (i) finance the payment of Eligible Costs incurred by the City in connection with the Project and (ii) pay closing costs. The City represents that, as of the date of issuance of the Note, there are no other bonds or obligations of the City secured by a covenant to budget and appropriate from Non-Ad Valorem Revenues that affect or impair the revenue sources covenanted or pledged to pay the Note or obligations under this Loan Agreement. This representation does not apply to any future bonds or obligations issued by the City.

(b) **Notice of Defaults.** The City shall within ten (10) days after it acquires knowledge thereof, notify the Bank in writing upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Bank with such written notice, a detailed statement by a responsible officer of the City of all relevant facts and the action being taken or proposed to be taken by the City with respect thereto.

(c) **Records.** The City agrees that any and all records of the City shall be open to inspection by the Bank or its representatives at all reasonable times at the offices of the city.

(d) **Maintain Existence.** The City shall do all things lawfully within its power to maintain its existence as a municipal corporation of the State, and shall not voluntarily dissolve.

(e) **Notice of Liabilities.** The City shall promptly inform the Bank of any actual or potential contingent liabilities or pending or threatened litigation of any amount that could reasonably be expected to have a material and adverse effect upon the financial condition of the City.

(f) **Insurance.** The City shall maintain such liability, casualty and other insurance as is reasonable and prudent for similarly situated municipal corporations of the State and shall upon the request of the Bank, provide evidence of such coverage to the Bank.

(g) **Comply with Laws.** The City is in compliance with and shall comply with all applicable federal, state and local laws and regulatory requirements.

(h) **Taxes.** In the event the Note, this Agreement or any other Loan Document should be subject to the excise tax on documents or the intangible personal property tax, or any similar tax, of the State of Florida, the City shall pay such taxes or reimburse the Bank for any such taxes paid by it.

(i) **Investments.** The City shall invest only in obligations permitted by Section 218.345, Florida Statutes.

Section 3.2 Bank Fees and Expenses. The City hereby agrees to pay the Bank the fees and expenses of counsel to the Bank in connection with the issuance of the Note in the amount of \$20,000.00, plus reasonable out of pocket expenses, said amounts to be due and payable upon the issuance of the Note.

Section 3.3 Registration and Exchange of Notes; Persons Treated as Owners. So long as the Note shall remain unpaid, the City will keep books for the registration and transfer of the Note. The Note shall be transferable only upon such registration books. The City will transfer the registration of a Note upon written request of the Bank specifying the name, address and taxpayer identification number of the transferee.

The Person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on the Note shall be made only to or upon the written order of such Person. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

Section 3.4 Payment of Principal and Interest. The City promises that it will promptly pay the principal of and interest on the Note at the place, on the dates and in the manner

provided therein according to the true intent and meaning hereof and thereof, provided that the principal of and interest on the Note is secured solely as provided in Section 3.5 hereof, and nothing in the Note or in this Agreement shall be construed as pledging any funds or assets of the City to such payment or authorizing such payment to be made from any other source. The Note shall not be or constitute a general obligation or indebtedness of the City within the meaning of the Constitution of Florida, but shall be payable solely from and secured in the manner and to the extent provided in Section 3.5. No Holder shall ever have the right to compel the exercise of the ad valorem taxing power of the City or taxation in any form on any real or personal property to pay such Note or the interest thereon, nor shall any Holder be entitled to payment of such principal and interest from any other funds of the City other than in the manner and to the extent herein provided.

Section 3.5 Covenant and Pledge of Net Rental Income; Covenant to Allocate HOME Program Funds; Covenant to Budget and Appropriate.

(a) **Covenant and Pledge of Net Rental Income.** The City covenants and agrees that all Net Rental Income will first be used to pay all amounts due under the Note and this Agreement. The City hereby pledges, assigns and grants to Bank a first priority security interest in the Net Rental Income to secure payment of all sums due pursuant to the Note and this Agreement. The City represents and warrants to the Bank that there are no other obligations of the City currently outstanding that are secured by the Net Rental Income and that the City will not secure any future obligations with a pledge of Net Rental Income.

(b) **Covenant to Allocate HOME Program Funds.** The City covenants and agrees that the City will allocate sufficient HOME Program funds annually to pay all amounts due under the Note and this Agreement.

(c) **Covenant to Budget and Appropriate.** The City hereby covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to pay the principal and interest due on the Note in accordance with its terms during such Fiscal Year. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Note Holder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenue is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the

payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under this Agreement, subject, however, in all respects to the terms of this Agreement and the restrictions of Section 166.241(3), Florida Statutes, which provides, in part, that the governing body of each municipality make appropriations for each Fiscal Year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by applicable law.

Section 3.6 Prepayment. City may prepay the Note in whole or in part at any time at a price of par plus accrued and unpaid interest to the date of prepayment. All prepayments may be made only upon written notice to the Holder given by the City at least five (5) days prior to the date fixed for prepayment.

Section 3.7 Business Days. In any case where the due date of interest on or principal of the Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Bank.

Section 3.8 Officers and Employees of the City Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Agreement or the Note or for any claim based thereon or otherwise in respect thereof, shall be had against any Council Member of the City, or any officer, agent or employee, as such, of the City past, present or future, it being expressly understood (a) that the obligation of the City under this Agreement and the Note is solely a corporate one, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the City Council, or the officers, agents, or employees, as such, of the City, or any of them, under or by reason of the obligations, covenants or agreements contained in this Loan Agreement or implied therefrom, and (c) that any and all such personal liability of, and any and all such rights and claims against, every such Council Member of the City, and every officer, agent, or employee, as such, of the City under or by reason of the obligations, covenants or agreements contained in this Loan Agreement, or implied therefrom, are waived and released as a condition of, and as a consideration for, the execution of this Loan Agreement and the issuance of the Note on the part of the City.

Section 3.9 Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the City shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Holder furnishing the City proof of ownership thereof and indemnity reasonably satisfactory to the City and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur. The Note so surrendered shall be canceled.

Section 3.10 Bond Anticipation Note. Bank has agreed to make the Loan anticipating that City will secure permanent financing for the full repayment of the Loan on or before the Maturity Date (as defined in the Note). City hereby covenants and agrees to take any and all action that is necessary to issue bonds or otherwise secure permanent financing in an amount sufficient to fully repay the Note on or before the Maturity Date.

Section 3.11 Tax Representations, Warranties and Covenants of the City. Notwithstanding anything herein to the contrary, the City hereby covenants and represents that it has taken and caused to be taken and shall make and take and cause to be made and taken all actions that may be required of it for the interest on the Note to be and remain excluded from the gross income of the Holder for federal income tax purposes, and that to the best of its knowledge it has not taken or permitted to be taken on its behalf, and covenants that to the best of its ability and within its control, it shall not make or take, or permit to be made or taken on its behalf, any action which, if made or taken, would adversely affect such exclusion under the provisions of the Code.

The City acknowledges that the continued exclusion of interest on the Note from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Code. The City hereby acknowledges responsibility to take all reasonable actions necessary to comply with these requirements. The City hereby agrees and covenants that it shall not permit at any time or times any of the proceeds of the Note or other funds of the City to be intentionally used, directly or indirectly, to acquire or to replace funds which were used directly or indirectly to acquire any higher yielding investments (as defined in Section 148 of the Code), the acquisition of which would cause the Note to be an arbitrage bond for purposes of Sections 103(b)(2) and 148 of the Code. The City further agrees and covenants that it shall do and perform all acts and things necessary in order to assure that the requirements of Sections 103(b)(2) and 148 of the Code are met.

Specifically, without intending to limit in any way the generality of the foregoing, the City covenants and agrees:

(a) to pay to the United States of America at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) (other than investments attributed to an excess described in this sentence) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Note, plus any income attributable to such excess (the "Rebate Amount");

(b) to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code; and

(c) to comply with all representations and restrictions contained in any Tax Certificate executed by the City in connection with the Note.

The City understands that the foregoing covenants impose continuing obligations on it to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

Section 3.12 Additional Tax Covenants of the City. For so long as the Note remains outstanding, the City hereby covenants as follows:

(a) It will comply with, and timely make or cause to be made all filings required by, all effective rules, rulings or regulations promulgated by the Department of the Treasury or the Internal Revenue Service;

(b) It will not use, invest, direct or permit the investment of the proceeds of the Note or any investment earnings thereon in a manner that will result in such Note becoming a "private activity bond" within the meaning of Sections 141 and 145 of the Code;

(c) It will not use or permit to be used more than ten percent (10%) of the proceeds of the Note (including any amounts used to pay costs associated with issuing such Note), including all investment income earned on such proceeds directly or indirectly, in any trade or business carried on by any person who is not the City or a state or political subdivision or instrumentality thereof as those terms are used in Section 103 of the Code (an "Exempt Person");

(d) It will not use or permit the use of any portion of the proceeds of the Note, including all investment income earned on such proceeds, directly or indirectly, to make or finance loans to persons who are not Exempt Persons;

(e) It has not entered into, and will not enter into, any arrangement with any person or organization (other than an Exempt Person) which provides for such person or organization to manage, operate, or provide services with respect to more than 10% of the property financed with the proceeds of the Note (a "Service Contract"), unless the guidelines set forth in Revenue Procedure 97-13 (or the guidelines set forth in Revenue Procedure 93-19, to the extent applicable, or any new, revised or additional guidelines applicable to Service Contracts) (the "Guidelines"), are satisfied, except to the extent it obtains a private letter ruling from the Internal Revenue Service or an opinion of nationally recognized Bond Counsel which allows for a variation from the Guidelines;

(f) It will not cause the Note to be treated as "federally guaranteed" for purposes of Section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in Section 149 of the Code. For purposes of this paragraph, the Note shall be treated as "federally guaranteed" if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (ii) 5% or more of the proceeds of the Note will be (A) used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in

part by the United States of America or any agency or instrumentality thereof, or (B) invested directly or indirectly in federally insured deposits or accounts, and (iii) such guarantee is not described in Section 149(b)(3) of the Code; and

(g) It will comply with the information reporting requirements of Section 149(e)(2) of the Code.

The terms "debt service," "gross proceeds," "net proceeds," "proceeds," and "yield" have the meanings assigned to them for purposes of Section 148 of the Code.

ARTICLE IV

CONDITIONS OF LENDING

Section 4.1 Conditions of Lending. The obligations of the Bank to lend hereunder are subject to the following conditions precedent:

(a) **Representations and Warranties.** The representations and warranties set forth in the Loan Documents are and shall be true and correct to the best of the City's knowledge on and as of the date hereof and on and as of the date of any Advance.

(b) **No Default.** On the date hereof the City shall be in compliance with all the terms and provisions set forth in the Loan Documents on its part to be observed or performed, and no Event of Default nor any event that, upon notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing at such time.

(c) **Supporting Documents.** On or prior to the date hereof, the Bank shall have received the following supporting documents, all of which shall be satisfactory in form and substance to the Bank (such satisfaction to be evidenced by the purchase of the Note by the Bank):

(i) The opinion of the City Attorney regarding the due authorization, execution, delivery, validity and enforceability of this Agreement and the Note, the City's power to incur the debt evidenced by the Note and the due adoption of the Ordinance;

(ii) The opinion of Bond Counsel to the effect that, (A) the interest on the Note is excluded from gross income for federal income tax purposes, (B) the Note is not an item of tax preference under Section 57 of the Code, and (C) the Note and the income thereon is exempt from the State excise tax on documents and intangible personal property tax; and

(iii) Such additional supporting documents as the Bank may reasonably request.

ARTICLE V

THE LOAN; CITY'S OBLIGATION; DESCRIPTION AND PAYMENT TERMS

Section 5.1 The Loan. The Bank hereby agrees to loan to the City the amount of \$15,000,000.00 to be evidenced by the Note, to provide funds to finance the Project and to pay closing costs upon the terms and conditions set forth in the Ordinance and in this Agreement. The City agrees to repay the principal amount borrowed plus interest thereon, upon the terms and conditions set forth in the Loan Documents.

Section 5.2 Disbursement of the Loan.

(a) On the Dated Date, Bank shall disburse the Initial Advance to the City. Notwithstanding anything to the contrary contained herein, the Initial Advance may not be repaid for a period of thirty (30) days.

(b) During the period of time commencing on the Dated Date and ending on December 1, 2008 (the "Construction Period"), the City may from time to time request that an Advance be made in accordance with the provisions of this Section and this Agreement. City will not be entitled to receive (i) more than two (2) Advances in one calendar month, (ii) any Advances after the Construction Period or (iii) any Advance that would cause the principal amount to exceed \$15,000,000.00. This Loan is not a revolving loan. Therefore, any Advance repaid by City may not be reborrowed.

(c) The City may request an Advance by delivering to the Bank a written request signed by the Mayor or the Finance Director (each such request, a "Notice of Advance") (i) specifying the Business Day on which the funding of the Advance is requested; (ii) specifying the amount of the Advance requested (which shall be a minimum of \$100,000); (iii) stating that to the best of the signer's knowledge, no event of default under the Ordinance, the Note or this Agreement has occurred and is continuing (which has not been cured or waived) and no event which, with the giving of notice or the passage of time or both would constitute an event of default, has occurred and is continuing, (iv) specifying the intended use of the proceeds of the Advance and (v) certifying that the use of the proceeds of the Advance will comply with this Agreement and the Non-Arbitrage Certificate executed by City. For purposes of this Section, "Business Day" shall mean any date other than a Saturday, Sunday or other day on which the Bank is closed.

(d) Bank shall fund an Advance requested prior to 10:00 a.m. on a Business Day in that Business Day. Bank shall fund an Advance requested on a day that is not a Business Day or after 10:00 a.m. on a Business Day on the later of the succeeding Business Day or the date such Advance is requested to be funded. On the date the Advance is to be funded, the Bank shall make available the amount of the Advance requested in immediately available funds.

(e) A Notice of Advance may be revoked by the City upon delivery of a written notice delivered to the Bank not later than 9:00 a.m. on the date the proposed Advance is to be funded.

(f) Sufficient proceeds received from the Initial Advance on the Dated Date shall be applied to pay costs of issuance of the Note. All other proceeds received from the Initial Advance, as well as proceeds received from all subsequent Advances, shall be deposited in to the Project Fund and used only in connection with the Project.

(g) The Holder shall have no responsibility for the use of the proceeds of the Note, and the use of such Note proceeds by the City shall in no way affect the rights of the Holder. The City shall be obligated to apply the proceeds of the Note as provided herein. However, the City shall be irrevocably obligated to continue to pay the principal of and interest on the Note notwithstanding any failure of the City to use and apply such Note proceeds in the manner provided herein

Section 5.3 Description and Payment Terms of the Note. To evidence the Loan, the City shall issue and deliver to the Bank the Note in the form attached hereto as Exhibit "A".

ARTICLE VI

CREATION AND USE OF FUNDS AND ACCOUNTS

Section 6.1 Note Fund. There is hereby created a fund, entitled "City of Hialeah, Florida, Bond Anticipation, Series 2005 Note Fund" (the "Note Fund"). There shall be deposited into the Note Fund on each Note Payment Date sufficient funds which, together with the amounts already on deposit therein, will enable the City to pay the principal of and interest due on the Note on each Note Payment Date. The Note Fund shall be kept separate and apart from all other funds of the City and the moneys on deposit therein shall be withdrawn, used and applied by the City solely for the purposes set forth herein. Moneys in the Note Fund shall be applied on each Note Payment Date to the payment of principal of and interest on the Note coming due on each such date. Pending such application, the Note Fund shall be subject to the lien of the Holder for the payment of the principal of and interest on the Note.

Section 6.2 Project Fund. There is hereby created a fund, entitled "City of Hialeah, Florida, Bond Anticipation, Series 2005 Project Fund" (the "Project Fund"). Advances shall be deposited into the Project Fund in accordance with Section 5.2(f). Pending their use, the proceeds in the Project Fund may be invested in Authorized Investments, maturing not later than the date or dates on which such proceeds will be needed for the purposes of the Ordinance and this Agreement. Subject to Section 6.3 hereof, any income received upon such investment shall be deposited in the Project Fund and applied to costs of the Project or, at the option of the City, deposited in the Note Fund and used to pay principal and interest due on the Note. The Project Fund shall be kept separate and apart from all other funds of the City and the moneys on deposit therein shall be withdrawn, used and applied by the City solely for the purposes set forth herein.

Pending such application, the Project Fund shall be subject to the lien of the Holder for the payment of the principal of and interest on the Note.

Section 6.3 Funds. Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts respectively. The money in such funds and accounts shall be continuously secured in the same manner as deposits of City funds are authorized to be secured by the laws of the State of Florida.

The designation and establishment of the funds and accounts in and by this Agreement shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the City for the purposes herein provided and to establish certain priorities for application of such revenues and assets.

Section 6.4 Rebate Fund and Rebate Covenants. There is hereby created and established a fund to be held by the City, designated the "City of Hialeah, Florida, Bond Anticipation Note, Series 2005 Rebate Fund" (the "Rebate Fund"). The Rebate Fund shall be held by the City separate and apart from all other funds and accounts held by the City under this Agreement and from all other moneys of the City.

Notwithstanding anything in this Agreement to the contrary, the City shall transfer to the Rebate Fund the amounts required to be transferred in order to comply with the Tax Certificate or the Rebate Covenants, if any, attached as an Exhibit to the Tax Certificate to be delivered by the City on the date of delivery of the Note (the "Rebate Covenants"), when such amounts are so required to be transferred. The Mayor shall make or cause to be made payments from the Rebate Fund of amounts required to be deposited therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The City covenants for the benefit of the Holder that it will comply with the Rebate Covenants. The Rebate Fund, together with all moneys and securities from time to time held therein and all investment earnings derived therefrom, shall be excluded from the pledge and lien of this Agreement. The City shall not be required to comply with the requirements of this Section 6.3 in the event that the City obtains and opinion of nationally recognized Bond Counsel that (i) such compliance is not required in order to maintain the federal income tax exemption of interest on the Note and/or (ii) compliance with some other requirement is necessary to maintain the federal income tax exemption of interest on the Note.

ARTICLE VII

SPECIAL COVENANTS

Section 7.1 Financial Statements. The City shall, upon receipt by the City or within two hundred ten (210) days of each Fiscal Year end, whichever is sooner, provide the Holder with (i) a printed copy of its Annual Financial Statement, its current year operating budget and its capital improvement plan as an element of the Hialeah, Florida, Comprehensive Plan, (ii)

operating statements for the Project, in form and content satisfactory to the Bank and (iii) a certificate of its Mayor or Director of Office of Management and Budget in form and substance satisfactory to the Holder evidencing compliance with the covenant set forth in Section 7.2 below. The City shall also provide to the Holder any other financial information reasonably requested by such Holder.

Section 7.2 Coverage Requirement. City covenants and agrees that until all of its payment obligations set forth in the Loan Documents (the "Payment Obligations") are paid in full, the City will not incur any additional indebtedness with respect to the Project senior to or on parity with the Payment Obligations payable from or secured by the Net Rental Income and City's HOME Program Funds unless (i) Net Rental Income plus HOME Program Funds for the last Fiscal Year for which the City has audited financial statements and (ii) the projected Net Rental Income plus HOME Program Funds for each year of the remaining term of the Note, shall equal at least one hundred fifty percent (150%) of maximum principal and interest coming due in the then current or any future Fiscal Year on all indebtedness of the Project to be outstanding as of the date of issuance of the proposed additional indebtedness of the Project, as evidenced by a certificate of the Mayor and Project director of the City delivered to the Bank.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.1 General. An "Event of Default" shall be deemed to have occurred under this Agreement if:

(a) The City shall fail to make any payment of the principal of or interest on the Note after the same shall become due and payable, whether by maturity, by acceleration at the discretion of the Bank as provided for in Section 8.2, or otherwise; or

(b) The City shall default in the performance of or compliance with any term or covenant contained in the Loan Documents, other than a term or covenant or default in the performance of which or noncompliance which is dealt with in Section 8.1(a) or (c) through (h) hereof, which default or non-compliance shall continue and not be cured within thirty (30) days after (i) notice thereof to the City by the Bank; or (ii) the Bank is notified of such noncompliance or should have been so notified pursuant to the provisions of Section 3.1(b) of this Agreement, whichever is earlier; or

(c) Any representation or warranty made in writing by or on behalf of the City in any Loan Document shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or

(d) The City admits in writing its inability to pay its debts generally as they become due or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or

(e) The City is adjudged insolvent by a court of competent jurisdiction, or it is adjudged a bankrupt on a petition in bankruptcy filed by or against the City, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the City, a receiver or trustee of the City or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof, or

(f) The City shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Florida; or

(g) The City shall default in the due and punctual payment or performance of covenants under any obligation for the payment of money to the Bank or any other subsidiary or affiliate of the Bank; or

(h) A judgment or order shall be rendered against the City for the payment of money in excess of \$ 100,000 which is not covered by insurance and such judgment or order shall continue unsatisfied or unstayed for a period of more than 30 days unless such judgment is subject to a Claims Bill to be considered by the Florida Legislature or such judgment or order is appealed during the pendency of the appeal.

Section 8.2 Effect of Event of Default. Except as otherwise provided in the Note, immediately and without notice, upon the occurrence of any Event of Default, the Bank may declare all obligations of the City under the Loan Documents to be immediately due and payable without further action of any kind and upon such declaration the Note and the interest accrued thereon shall become immediately due and payable. In addition, and regardless whether such declaration is or is not made, the Bank may also seek enforcement of and exercise all remedies available to it under the Ordinance, the Act and any other applicable law.

Should the City default in any obligation created by this Agreement or the Note, the Bank may, in addition to any other remedies set forth in this Agreement or the Note, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted or contained in this Agreement, and may enforce and compel the performance of all duties required by this Agreement or by any applicable statutes to be performed by the City or by any officer thereof.

ARTICLE IX

MISCELLANEOUS

Section 9.1 No Waiver; Cumulative Remedies. No failure or delay on the part of the Bank in exercising any right, power, remedy hereunder, or under the Note or other Loan Documents shall operate as a waiver of the Bank's rights, powers and remedies hereunder, nor shall any single or partial exercise of any such right, power or remedy preclude any other or

further exercise thereof, or the exercise of any other right, power or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 9.2 Amendments, Changes or Modifications to the Agreement. This Agreement shall not be amended, changed or modified except by written instrument between the Bank and the City. The City agrees to pay all of the Bank's costs and reasonable attorneys' fees incurred in modifying and/or amending this Agreement at the City's request or behest.

Section 9.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 9.4 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections hereof, and this Agreement shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

Section 9.5 Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the City in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until as long as the Note is outstanding.

Section 9.6 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to:

If to the City: Mayor Julio Robaina
City of Hialeah
501 Palm Avenue
Hialeah, Florida 33010
Fax Number: 305-883-5932

With copy to Fred Marinelli,
Director of Grants and Human Services
Fax Number: 305-883-5817

If to the Bank: SunTrust Bank
777 Brickell Avenue, 4th Floor
Miami, Florida 33131
Attention: Institutional and Governmental Banking
Fax Number: 305-579-7133

or to such other address as either party may have specified in writing to the other using the procedures specified above in this Section 9.6.

Section 9.7 Applicable Law. This Agreement, and each of the Loan Documents and transactions contemplated herein, shall be construed pursuant to and governed by the substantive laws of the State.

Section 9.8 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The City shall have no rights to assign any of their rights or obligations hereunder without the prior written consent of the Bank.

Section 9.9 Conflict. In the event any conflict arises between the terms of this Agreement and the terms of any other Loan Document, the terms of this Agreement shall govern in all instances of such conflict.

Section 9.10 No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 9.11 Attorneys Fees. To the extent legally permissible, the City and the Bank agree that in any suit, action or proceeding brought in connection with this Agreement, the Note, or the Ordinance (including any appeal(s)), the prevailing party shall be entitled to recover costs and attorneys' fees from the other party.


Section 9.12 Entire Agreement. Except as otherwise expressly provided, this Agreement and the other Loan Documents embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof

Section 9.13 Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of carrying out the transactions contemplated by this Agreement.

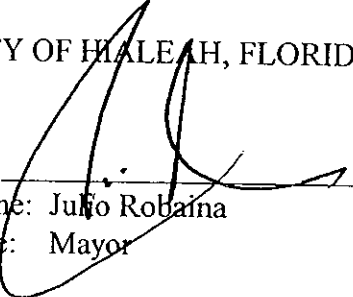
Section 9.14 Waiver of Jury Trial. THE CITY AND THE BANK IRREVOCABLY AND VOLUNTARILY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY CONTROVERSY OR CLAIM BETWEEN THEM, WHETHER ARISING IN CONTRACT, TORT OR BY STATUTE, THAT ARISES OUT OF OR RELATES TO THIS

AGREEMENT, THE NOTE OR THE ORDINANCE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE CITY AND THE BANK TO ENTER INTO THIS AGREEMENT.

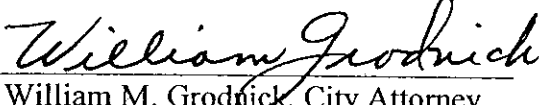
IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

Attest: 
By: _____
Name: Rafael E. Granado
Title: Acting City Clerk

(Seal)

CITY OF HALEAH, FLORIDA
By: 
Name: Julio Robaina
Title: Mayor

Approved for form and legal sufficiency:

By: 
William M. Grodnick, City Attorney

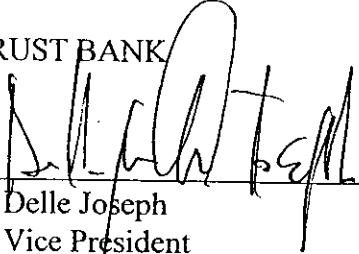
SUNTRUST BANK
By: 
Name: Delle Joseph
Title: Vice President

EXHIBIT A

December 16, 2005

\$15,000,000.00

CITY OF HIALEAH, FLORIDA

BOND ANTICIPATION, SERIES 2005

KNOW ALL MEN BY THESE PRESENTS that the City of Hialeah, Florida (the "City"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of SunTrust Bank, or registered assigns (hereinafter, the "Bank" or the "Holder"), the principal sum of \$15,000,000.00, together with interest on the principal balance outstanding at the rate of 4.69% per annum (subject to adjustment as hereinafter provided), based upon a year of 360 days for the actual number of days elapsed.

Principal of and interest on this Note are payable in lawful money of the United States of America at such place as the Bank may designate to the City.

For purposes of this Note, the following definitions shall apply:

- (1) "Code" means the Internal Revenue Code of 1986, as amended;
- (2) "Cost of Funds" means 100 multiplied by a fraction, the numerator of which is equal to the total interest expense of SunTrust Bank for its immediately preceding tax year and the denominator of which is equal to the average total assets of SunTrust Bank for such tax year, but not to exceed the cost of Fed Funds.
- (3) "Fully Taxable Equivalent" means the rate of interest on the Note multiplied by 1.37, expressed as a number and not as a percentage.
- (4) "Maximum Corporate Tax Rate" means the maximum Federal income tax rate applicable to corporations, presently 35%.
- (5) "Preference Reduction Rate" means the percentage reduction to be applied to the amount allowable as a deduction under Chapter I of the Code with respect to any financial institution preference item (as such term is defined in Section 291(e) of the Code), presently 20%. If this Note is not or ceases to be a "qualified tax-exempt obligation" as defined in Section 265(b) of the Code, the Preference Reduction Rate shall be deemed to increase from twenty percent (20%) to one hundred percent (100%).
- (6) "TEFRA Adjustment" means an adjustment equal to the product of the Cost of Funds multiplied by the applicable Maximum Corporate Tax Rate multiplied by the applicable Preference Reduction Rate.

If for any reason the interest on this Note becomes includable in the gross income of the holder of this Note for Federal income tax purposes (an "Event of Taxability"), this Note shall bear interest from the earliest effective date of such Event of Taxability at a rate per annum equal to the interest rate otherwise borne by this Note multiplied by 1.37. In addition to the foregoing, the City shall pay any additions to tax, penalties and interest, and any arrears in interest imposed upon the holder of this Note on account of an Event of Taxability. All such additional interest, additions to tax and penalties shall be paid on the next succeeding Note Payment Date following the date the holder was advised of such Event of Taxability.

No Event of Taxability shall be deemed to occur unless the City has been given timely written notice of such occurrence by the Holder of this Note and, to the extent permitted by law, an opportunity to participate in and seek, at the City's own expense, a final administrative determination by the Internal Revenue Service or determination by a court of competent jurisdiction (from which no further right of appeal exists) as to the occurrence of such Event of Taxability; provided that the City, at its own expense, delivers to the holder of this Note an opinion of bond counsel acceptable to such holder to the effect that such appeal or action for judicial or administrative review is not without merit and there is a reasonable possibility that the judgment, order, ruling or decision from which such appeal or action for judicial or administrative review is taken will be reversed, vacated or otherwise set aside.

The interest rate borne by this Note shall also be adjusted automatically as of the effective date of any change in the Maximum Corporate Tax Rate or in the Preference Reduction Rate, to the product obtained by multiplying the rate of interest on the Note by a fraction, the numerator of which is equal to the sum of (i) the product of the Fully Taxable Equivalent times 1 (one) minus the Maximum Corporate Tax Rate in effect as of the date of adjustment, plus (ii) the TEFRA Adjustment in effect as of the date of adjustment, and the denominator of which is equal to the sum of (i) the product of the Fully Taxable Equivalent times 0.65, plus (ii) the TEFRA Adjustment in effect on the date of closing of the Note.

A certificate of the Holder as to any such additional amount or amounts, in the absence of manifest error, shall be final and conclusive. In determining such amount, the Holder may use any reasonable averaging and attribution methods.

Interest only on this Note shall be due and payable on December 1, March 1, June 1 and September 1 of each year (each, a "Note Payment Date") commencing March 1, 2006 until December 1, 2008 (the "Maturity Date"), with the entire unpaid principal balance, together with all accrued and unpaid interest hereon, being due and payable in full on the Maturity Date. All payments by the City pursuant to this Note shall apply first to accrued interest, then to other charges due the Bank, and the balance thereof shall apply to the principal sum due.

City may prepay this Note in whole or in part at any time at any time at a price of par plus accrued and unpaid interest to the date of prepayment. All prepayments may be made only upon written notice to the Holder given by the City at least five (5) days prior to the date fixed for prepayment.

Partial prepayments shall be applied to Note Payment Dates in the inverse order of their maturity and shall not lower the amounts, or postpone the due dates, of any installments of principal and interest due hereunder.

Interest at the lesser of 12% per annum or the maximum lawful rate per annum shall be payable on the entire principal balance owing hereunder from and after the occurrence of and during the continuation of an Event of Default under the Loan Agreement, irrespective of a declaration of maturity.

The City to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is issued pursuant to Ordinance No. 05-110 duly enacted by the City on December 13, 2005 which became effective on December 14, 2005, as from time to time amended and supplemented (herein referred to as the "Ordinance"), and a Loan Agreement, dated of even date herewith, between the City and the Bank (the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement. All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

The City has covenanted and agreed that all Net Rental Income will first be used to pay all amounts due under the Note and the Loan Agreement. The City pledged, assigned and granted to Bank a first priority security interest in the Net Rental Income to secure payment of all sums due pursuant to the Note and the Loan Agreement. The City represented and warranted to the Bank that there are no other obligations of the City currently outstanding that are secured by the Net Rental Income and that the City will not secure any future obligations with a pledge of Net Rental Income.

The City has also covenanted and agreed that the City will allocate sufficient HOME Program funds to pay all amounts due under the Note and the Loan Agreement.

The City has also covenanted and agreed in the Loan Agreement to appropriate in its annual budget, by amendment if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to pay the principal and interest due on the Note in accordance with its terms during such Fiscal Year. "Non-Ad Valorem Revenues" means all revenues of the City derived from any source other than ad valorem taxation on real or personal property which the City derived from any source other than ad valorem taxation on real or personal property which are legally available to make the payments required under the Loan Agreement; but only after provision has been made by the City for the payment of all essential or legally mandated services. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the City, the City does not

covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Note Holder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated in the Loan Agreement shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Loan Agreement, subject, however, in all respects to the terms of the Loan Agreement and the restrictions of Section 166.241(3), Florida Statutes, which provides, in part, that the governing body of each municipality make appropriations for each Fiscal Year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by applicable law.

Reference is hereby made to the Loan Agreement for the provisions, among others, relating to the terms, lien and security of the Note, the custody and application of the proceeds of the Note, the rights and remedies of the Holder of the Note, and the extent of and limitations on the City's rights, duties and obligations, to all of which provisions the Holder hereof for himself and his successors in interest assents by acceptance of this Note.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE HOLDER OF THIS NOTE THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS NOTE OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE LOAN AGREEMENT.

It is further agreed between the City and the Holder of this Note that neither the members of the Governing Body of the City nor any person executing the Note shall be liable personally on the Note by reason of its issuance.

This Note may be exchanged or transferred by the Bank hereof but only upon the registration books maintained by the City and in the manner provided in the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Hialeah, Florida has caused this Note to be executed in its name by the manual signature of its Mayor, and attested by the manual signature of its Acting City Clerk and its corporate seal or a facsimile thereof affixed hereto, all as of this 16th day of December, 2005.

CITY OF HIALEAH, FLORIDA

By: _____
Mayor Julio Robaina

ATTEST:

By: _____
Rafael E. Granado, Acting City Clerk

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Note in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under Uniform Transfers to Minors Act of (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

Exhibit “B”

Amendment to Note

AMENDMENT TO:

CITY OF HIALEAH, FLORIDA
BOND ANTICIPATION NOTE, SERIES 2005

The Note attached hereto (the "Note") was issued on December 16, 2005 by the CITY OF HIALEAH, FLORIDA (the "City"). The City, by authority granted in Ordinance 08-83, which became effective on September 24, 2008 (the "2008 Ordinance"), hereby amends the Note as follows:

1. All references in the Note to \$15,000,000 are hereby amended to \$18,000,000 wherever they appear in the Note.
2. The definition of "Ordinance" in the Note is hereby amended to refer collectively to Ordinance 05-110, which became effective on December 14, 2005 (the "2005 Ordinance") and the 2008 Ordinance.
3. The "Maturity Date" referred to in the Note is hereby amended to January 31, 2010.
4. The interest rate on the Note is hereby amended as follows: from the date of issuance of the Note to but not including October 30, 2008, 4.69% per annum, and from and after October 30, 2008, 3.98% per annum.
5. The multiplier referred to in the third full paragraph of the Note is hereby amended as follows: from the date of issuance of the Note to but not including October 30, 2008, 1.37, and from and after October 30, 2008, 1.2121.
6. From and after the date hereof, the Note is hereby redesignated as the "City of Hialeah, Florida, Bond Anticipation Refunding Note, Series 2008."

All other terms and conditions contained in the Note shall continue to apply.

IN WITNESS WHEREOF, the City has caused this Amendment to be executed by the manual signature of its Mayor and attested by the manual signature of the City Clerk and its corporate seal or a facsimile thereof to be affixed or reproduced hereon, all as of the 30th day of October, 2008.

[SEAL]

CITY OF HIALEAH, FLORIDA

By: _____

Julio Robaina, Mayor

ATTEST:

By: _____

Rafael E. Granado, City Clerk

Approved as to form and legal sufficiency:

William M. Grodnick

William M. Grodnick, City Attorney

APPROVAL OF NOTEHOLDER

SUNTRUST BANK, as holder of the Note, hereby consents to the amendment contained herein.

SUNTRUST BANK

By: _____

Delle Joseph
Vice President

[ORIGINAL NOTE TO BE ATTACHED]

December 16, 2005

\$15,000,000.00

CITY OF HIALEAH, FLORIDA

BOND ANTICIPATION, SERIES 2005

KNOW ALL MEN BY THESE PRESENTS that the City of Hialeah, Florida (the "City"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of SunTrust Bank, or registered assigns (hereinafter, the "Bank" or the "Holder"), the principal sum of \$15,000,000.00, together with interest on the principal balance outstanding at the rate of 4.69% per annum (subject to adjustment as hereinafter provided), based upon a year of 360 days for the actual number of days elapsed.

Principal of and interest on this Note are payable in lawful money of the United States of America at such place as the Bank may designate to the City.

For purposes of this Note, the following definitions shall apply:

- (1) "Code" means the Internal Revenue Code of 1986, as amended;
- (2) "Cost of Funds" means 100 multiplied by a fraction, the numerator of which is equal to the total interest expense of SunTrust Bank for its immediately preceding tax year and the denominator of which is equal to the average total assets of SunTrust Bank for such tax year, but not to exceed the cost of Fed Funds.
- ~~(3) "Fully Taxable Equivalent" means the rate of interest on the Note multiplied by 1.37, expressed as a number and not as a percentage.~~
- (4) "Maximum Corporate Tax Rate" means the maximum Federal income tax rate applicable to corporations, presently 35%.
- (5) "Preference Reduction Rate" means the percentage reduction to be applied to the amount allowable as a deduction under Chapter I of the Code with respect to any financial institution preference item (as such term is defined in Section 291(e) of the Code), presently 20%. If this Note is not or ceases to be a "qualified tax-exempt obligation" as defined in Section 265(b) of the Code, the Preference Reduction Rate shall be deemed to increase from twenty percent (20%) to one hundred percent (100%).
- (6) "TEFRA Adjustment" means an adjustment equal to the product of the Cost of Funds multiplied by the applicable Maximum Corporate Tax Rate multiplied by the applicable Preference Reduction Rate.

If for any reason the interest on this Note becomes includable in the gross income of the holder of this Note for Federal income tax purposes (an "Event of Taxability"), this Note shall

bear interest from the earliest effective date of such Event of Taxability at a rate per annum equal to the interest rate otherwise borne by this Note multiplied by 1.37. In addition to the foregoing, the City shall pay any additions to tax, penalties and interest, and any arrears in interest imposed upon the holder of this Note on account of an Event of Taxability. All such additional interest, additions to tax and penalties shall be paid on the next succeeding Note Payment Date following the date the holder was advised of such Event of Taxability.

No Event of Taxability shall be deemed to occur unless the City has been given timely written notice of such occurrence by the Holder of this Note and, to the extent permitted by law, an opportunity to participate in and seek, at the City's own expense, a final administrative determination by the Internal Revenue Service or determination by a court of competent jurisdiction (from which no further right of appeal exists) as to the occurrence of such Event of Taxability; provided that the City, at its own expense, delivers to the holder of this Note an opinion of bond counsel acceptable to such holder to the effect that such appeal or action for judicial or administrative review is not without merit and there is a reasonable possibility that the judgment, order, ruling or decision from which such appeal or action for judicial or administrative review is taken will be reversed, vacated or otherwise set aside.

The interest rate borne by this Note shall also be adjusted automatically as of the effective date of any change in the Maximum Corporate Tax Rate or in the Preference Reduction Rate, to the product obtained by multiplying the rate of interest on the Note by a fraction, the numerator of which is equal to the sum of (i) the product of the Fully Taxable Equivalent times 1 (one) minus the Maximum Corporate Tax Rate in effect as of the date of adjustment, plus (ii) the TEFRA Adjustment in effect as of the date of adjustment, and the denominator of which is equal to the sum of (i) the product of the Fully Taxable Equivalent times 0.65, plus (ii) the TEFRA Adjustment in effect on the date of closing of the Note.

A certificate of the Holder as to any such additional amount or amounts, in the absence of manifest error, shall be final and conclusive. In determining such amount, the Holder may use any reasonable averaging and attribution methods.

Interest only on this Note shall be due and payable on December 1, March 1, June 1 and September 1 of each year (each, a "Note Payment Date") commencing March 1, 2006 until December 1, 2008 (the "Maturity Date"), with the entire unpaid principal balance, together with all accrued and unpaid interest hereon, being due and payable in full on the Maturity Date. All payments by the City pursuant to this Note shall apply first to accrued interest, then to other charges due the Bank, and the balance thereof shall apply to the principal sum due.

City may prepay this Note in whole or in part at any time at any time at a price of par plus accrued and unpaid interest to the date of prepayment. All prepayments may be made only upon written notice to the Holder given by the City at least five (5) days prior to the date fixed for prepayment.

Partial prepayments shall be applied to Note Payment Dates in the inverse order of their maturity and shall not lower the amounts, or postpone the due dates, of any installments of principal and interest due hereunder.

Interest at the lesser of 12% per annum or the maximum lawful rate per annum shall be payable on the entire principal balance owing hereunder from and after the occurrence of and during the continuation of an Event of Default under the Loan Agreement, irrespective of a declaration of maturity.

The City to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is issued pursuant to Ordinance No. 05-110 duly enacted by the City on December 13, 2005 which became effective on December 14, 2005, as from time to time amended and supplemented (herein referred to as the "Ordinance"), and a Loan Agreement, dated of even date herewith, between the City and the Bank (the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement. All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

The City has covenanted and agreed that all Net Rental Income will first be used to pay all amounts due under the Note and the Loan Agreement. The City pledged, assigned and granted to Bank a first priority security interest in the Net Rental Income to secure payment of all sums due pursuant to the Note and the Loan Agreement. The City represented and warranted to the Bank that there are no other obligations of the City currently outstanding that are secured by the Net Rental Income and that the City will not secure any future obligations with a pledge of Net Rental Income.

The City has also covenanted and agreed that the City will allocate sufficient HOME Program funds to pay all amounts due under the Note and the Loan Agreement.

The City has also covenanted and agreed in the Loan Agreement to appropriate in its annual budget, by amendment if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to pay the principal and interest due on the Note in accordance with its terms during such Fiscal Year. "Non-Ad Valorem Revenues" means all revenues of the City derived from any source other than ad valorem taxation on real or personal property which the City derived from any source other than ad valorem taxation on real or personal property which are legally available to make the payments required under the Loan Agreement; but only after provision has been made by the City for the payment of all essential or legally mandated services. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad

Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Note Holder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated in the Loan Agreement shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Loan Agreement, subject, however, in all respects to the terms of the Loan Agreement and the restrictions of Section 166.241(3), Florida Statutes, which provides, in part, that the governing body of each municipality make appropriations for each Fiscal Year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by applicable law.

Reference is hereby made to the Loan Agreement for the provisions, among others, relating to the terms, lien and security of the Note, the custody and application of the proceeds of the Note, the rights and remedies of the Holder of the Note, and the extent of and limitations on the City's rights, duties and obligations, to all of which provisions the Holder hereof for himself and his successors in interest assents by acceptance of this Note.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE HOLDER OF THIS NOTE THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS NOTE OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE LOAN AGREEMENT.

It is further agreed between the City and the Holder of this Note that neither the members of the Governing Body of the City nor any person executing the Note shall be liable personally on the Note by reason of its issuance.

This Note may be exchanged or transferred by the Bank hereof but only upon the registration books maintained by the City and in the manner provided in the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and

manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Hialeah, Florida has caused this Note to be executed in its name by the manual signature of its Mayor, and attested by the manual signature of its Acting City Clerk and its corporate seal or a facsimile thereof affixed hereto, all as of this 16th day of December, 2005.

CITY OF HIALEAH, FLORIDA

By: 

Mayor Julio Robaina

ATTEST:

By: 

Rafael E. Granado, Acting City Clerk

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Note in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under Uniform Transfers to Minors Act of (State).

~~Additional abbreviations may also be used~~
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

Exhibit “B”

Amendment to Note

[to be attached at closing]

Amended and Restated as of

January 28, 2010

\$14,881,500

CITY OF HIALEAH, FLORIDA

BOND ANTICIPATION REFUNDING NOTE, SERIES 2010

THIS NOTE AMENDS AND RESTATES THE \$18,000,000 CITY OF HIALEAH, FLORIDA BOND ANTICIPATION REFUNDING NOTE, SERIES 2008, ORIGINALLY ISSUED ON DECEMBER 16, 2005 AND AMENDED ON OCTOBER 30, 2008 (THE "ORIGINAL NOTE"). AS OF JANUARY 28, 2010, THIS NOTE REPLACES THE ORIGINAL NOTE, AND THE TERMS SET FORTH HEREIN WILL GOVERN FROM AND AFTER JANUARY 28, 2010.

KNOW ALL MEN BY THESE PRESENTS that the City of Hialeah, Florida (the "City"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of SunTrust Bank, or registered assigns (hereinafter, the "Bank" or the "Holder"), the principal sum of \$14,881,500, together with interest on the principal balance outstanding at the rate of 3.42% per annum (subject to adjustment as hereinafter provided), based upon a year of 360 days for the actual number of days elapsed.

Principal of and interest on this Note are payable in lawful money of the United States of America at such place as the Bank may designate to the City.

For purposes of this Note, the following definitions shall apply:

- (1) "Code" means the Internal Revenue Code of 1986, as amended;
- (2) "Cost of Funds" means 100 multiplied by a fraction, the numerator of which is equal to the total interest expense of SunTrust Bank for its immediately preceding tax year and the denominator of which is equal to the average total assets of SunTrust Bank for such tax year, but not to exceed the cost of Fed Funds.
- (3) "Fully Taxable Equivalent" means the rate of interest on the Note multiplied by 1.2121, expressed as a number and not as a percentage.
- (4) "Maximum Corporate Tax Rate" means the maximum Federal income tax rate applicable to corporations, presently 35%.
- (5) "Preference Reduction Rate" means the percentage reduction to be applied to the amount allowable as a deduction under Chapter I of the Code with respect to any financial institution preference item (as such term is defined in Section 291(e) of the Code), presently 20%. If this Note is not or ceases to be a "qualified tax-exempt obligation" as defined in Section 265(b) of the Code, the Preference Reduction Rate shall be deemed to increase from twenty percent (20%) to one hundred percent (100%).

(6) "TEFRA Adjustment" means an adjustment equal to the product of the Cost of Funds multiplied by the applicable Maximum Corporate Tax Rate multiplied by the applicable Preference Reduction Rate.

If for any reason the interest on this Note becomes includable in the gross income of the holder of this Note for Federal income tax purposes (an "Event of Taxability"), this Note shall bear interest from the earliest effective date of such Event of Taxability at a rate per annum equal to the interest rate otherwise borne by this Note multiplied by 1.2121. In addition to the foregoing, the City shall pay any additions to tax, penalties and interest, and any arrears in interest imposed upon the holder of this Note on account of an Event of Taxability. All such additional interest, additions to tax and penalties shall be paid on the next succeeding Payment Date following the date the holder was advised of such Event of Taxability.

No Event of Taxability shall be deemed to occur unless the City has been given timely written notice of such occurrence by the Holder of this Note and, to the extent permitted by law, an opportunity to participate in and seek, at the City's own expense, a final administrative determination by the Internal Revenue Service or determination by a court of competent jurisdiction (from which no further right of appeal exists) as to the occurrence of such Event of Taxability; provided that the City, at its own expense, delivers to the holder of this Note an opinion of bond counsel acceptable to such holder to the effect that such appeal or action for judicial or administrative review is not without merit and there is a reasonable possibility that the judgment, order, ruling or decision from which such appeal or action for judicial or administrative review is taken will be reversed, vacated or otherwise set aside.

The interest rate borne by this Note shall also be adjusted automatically as of the effective date of any change in the Maximum Corporate Tax Rate or in the Preference Reduction Rate, to the product obtained by multiplying the rate of interest on the Note by a fraction, the numerator of which is equal to the sum of (i) the product of the Fully Taxable Equivalent times 1 (one) minus the Maximum Corporate Tax Rate in effect as of the date of adjustment, plus (ii) the TEFRA Adjustment in effect as of the date of adjustment, and the denominator of which is equal to the sum of (i) the product of the Fully Taxable Equivalent times 0.65, plus (ii) the TEFRA Adjustment in effect on the date of closing of the Note.

A certificate of the Holder as to any such additional amount or amounts, in the absence of manifest error, shall be final and conclusive. In determining such amount, the Holder may use any reasonable averaging and attribution methods.

Interest on this Note shall be due and payable on February 1, May 1, August 1 and November 1 of each year (each, a "Note Payment Date"), commencing May 1, 2010 until August 1, 2011 (the "Maturity Date"). The principal of this Note shall be due and payable on each Note Payment Date in the amounts set forth in the amortization schedule attached hereto as Exhibit "A", with the entire unpaid principal balance, together with all accrued and unpaid interest hereon, being due and payable in full on the Maturity Date. All payments by the City pursuant to this Note shall apply first to accrued interest, then to other charges due the Bank, and the balance thereof shall apply to the principal sum due.

The City may prepay this Note in whole or in part at any time at a price of par plus accrued and unpaid interest to the date of prepayment. All prepayments may be made only upon written notice to the Holder given by the City at least five (5) days prior to the date fixed for prepayment.

Partial prepayments shall be applied to Note Payment Dates in the inverse order of their maturity and shall not lower the amounts, or postpone the due dates, of any installments of principal and interest due hereunder.

Interest at the lesser of 12% per annum or the maximum lawful rate per annum shall be payable on the entire principal balance owing hereunder from and after the occurrence of and during the continuation of an Event of Default under the Loan Agreement, irrespective of a declaration of maturity.

The City to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor.

This Note is issued pursuant to Ordinance No. 05-110 (December 13, 2005), as amended by Ordinance No. 08-83 (September 24, 2008) and by Ordinance No. 10-07 which became effective on January 27, 2010, as from time to time amended and supplemented (herein referred to as the "Ordinance"), and a Loan Agreement, dated as of December 16, 2005, between the City and the Bank, as amended by an Amendment to Loan Agreement dated as of October 30, 2008 and an Amendment to Loan Agreement dated as of January 28, 2010 (collectively the "Loan Agreement") and is subject to all the terms and conditions of the Loan Agreement. All terms, conditions and provisions of the Loan Agreement are by this reference thereto incorporated herein as a part of this Note. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

The City covenanted and agreed that all Net Rental Income will first be used to pay all amounts due under the Note and the Loan Agreement. The City pledged, assigned and granted to the Bank a first priority security interest in the Net Rental Income to secure payment of all sums due pursuant to the Note and the Loan Agreement. The City represented and warranted to the Bank that there are no other obligations of the City currently outstanding that are secured by the Net Rental Income and that the City will not secure any future obligations with a pledge of Net Rental Income.

The City has also covenanted and agreed that the City will allocate sufficient HOME Program funds to pay all amounts due under the Note and the Loan Agreement.

The City has also covenanted and agreed in the Loan Agreement to appropriate in its annual budget, by amendment if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to pay the principal and interest due on the Note in accordance with its terms during such Fiscal Year. "Non-Ad Valorem Revenues" means all revenues of the City derived from any source other than ad valorem taxation on real or personal property which are legally available to make the payments required under the Loan Agreement; but only after provision has been made by the City for the payment of all essential or legally mandated services. Such covenant and agreement on the part of the City to budget and

appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Note Holder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated in the Loan Agreement shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Loan Agreement, subject, however, in all respects to the terms of the Loan Agreement and the restrictions of Section 166.241(3), Florida Statutes, which provides, in part, that the governing body of each municipality make appropriations for each Fiscal Year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by applicable law.

Reference is hereby made to the Loan Agreement for the provisions, among others, relating to the terms, lien and security of the Note, the custody and application of the proceeds of the Note, the rights and remedies of the Holder of the Note, and the extent of and limitations on the City's rights, duties and obligations, to all of which provisions the Holder hereof for himself and his successors in interest assents by acceptance of this Note.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE HOLDER OF THIS NOTE THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS NOTE OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE LOAN AGREEMENT.

It is further agreed between the City and the Holder of this Note that neither the members of the Governing Body of the City nor any person executing the Note shall be liable personally on the Note by reason of its issuance.

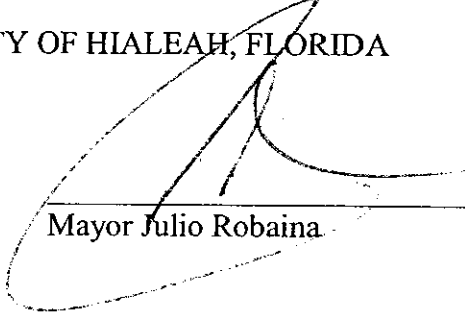
This Note may be exchanged or transferred by the Holder hereof but only upon the registration books maintained by the City and in the manner provided in the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Hialeah, Florida has caused this Note to be executed in its name by the manual signature of its Mayor, and attested by the manual signature of its Clerk and its corporate seal or a facsimile thereof affixed hereto, all as of this 28th day of January, 2010.

CITY OF HIALEAH, FLORIDA


By:


Mayor Julio Robaina

[SEAL]

ATTEST:

By:


Rafael E. Granado, City Clerk

Approved as to form and legal sufficiency:


William M. Grodnick, City Attorney

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Note in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice:

Payment:

Date: _____

Assignee: _____

By: _____

Title: _____

EXHIBIT "A"
AMORTIZATION SCHEDULE

Payment #	Due Date	Principal	Interest	Payment	Balance
1	1-May-10	148,815.00	127,236.83	276,051.83	14,732,685.00
2	1-Aug-10	148,815.00	125,964.46	274,779.46	14,583,870.00
3	1-Nov-10	148,815.00	124,692.09	273,507.09	14,435,055.00
4	1-Feb-11	148,815.00	123,419.72	272,234.72	14,286,240.00
5	1-May-11	148,815.00	122,147.35	270,962.35	14,137,425.00
6	1-Aug-11	14,137,425.00	120,874.98	14,258,299.98	0.00